



TFSA Investors: 2 Stocks to Buy With Your 2022 Contribution Room

Description

The Tax-Free Savings Account (TFSA) has been a blessing for Canadian investors ever since the account type was introduced. Each year, the government adds more contribution room to the TFSA, making the increases that are indexed to inflation. If you have been making full use of [TFSA investing](#) in the last few years, you have probably maxed out your available contribution room from previous years.

With 2022 underway, Canadian investors have more contribution room in their TFSAs at their disposal. With \$6,000 of additional room in your TFSA, that is a considerable amount of capital that you can put to work for you. If you are looking for [stocks that you could invest in](#) using the new contribution room, I will discuss two excellent assets you could consider.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a mainstay for many Canadian investors who are savvy with their money and prefer investing in reliable income-generating stocks. Dividend investing in a TFSA with a Canadian Dividend Aristocrat could be ideal for investors seeking long-term, tax-free returns. A high-quality utility stock like Fortis offers you exposure to a highly defensive income stock.

Fortis is a \$27.99 billion market capitalization utility holdings company. It owns and operates 10 utility businesses across Canada, the U.S., the Caribbean, and Central America. Fortis provides natural gas and electricity to millions of customers, generating most of its revenues through highly regulated assets. It means that the company creates predictable cash flows that it can use to comfortably fund its rising shareholder dividends.

At writing, Fortis stock is trading for \$59.18 per share, and it boasts a juicy 3.62% dividend yield.

Brookfield Renewable Partners

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a stock that belongs to a growing

industry that could become massive in the coming decades. Renewable energy is slated to phase out traditional energy sources gradually, and companies like Brookfield Renewable are well positioned to capitalize on that trend.

Investing in green energy will likely provide stellar returns over the next several years. Brookfield Renewable Partners boasts a team with an impressive track record that could give you the peace of mind that your money is in good hands. The company owns and operates a globally diversified portfolio of various renewable energy assets.

At writing, Brookfield Renewable stock is trading for \$43.01 per share, and it boasts a juicy 3.60% dividend yield that you could lock into your portfolio.

Foolish takeaway

The TFSA is quite flexible, and it lets you make withdrawals at any time without incurring penalties. You don't have to pay any income tax on your earnings in a TFSA, because you make contributions using after-tax dollars. Making the most out of your TFSA portfolio requires investing in assets you can buy and hold for the long run and leveraging compounding to accelerate your wealth growth for greater total returns.

Fortis stock and Brookfield Renewables stock are two [high-quality assets](#) that could be ideal for this purpose. You might want to consider allocating at least a portion of your new contribution room to these two **TSX** stocks.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:FTS (Fortis Inc.)

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